



Victoria

CO-OPERATION ACT 1958

CO-OPERATIVE SOCIETIES' HANDBOOK

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VICTORIA

CO-OPERATION ACT 1958

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INTRODUCTION.

The *Co-operation Act 1958* (formerly the *Co-operation Act 1953*, which came into operation on the 2nd August, 1954) makes provision for the formation, registration and management of co-operative societies of various kinds, particulars of which are set out in this handbook.

Prior to 2nd August, 1954, co-operative companies and societies (with the exception of co-operative housing societies) registered under the Companies Act or the Industrial and Provident Societies Act.

Since then, however, a new company or society capable of being registered under the Co-operation Act may not be registered under any other Act unless its registration under the Co-operation Act is refused. (S.28.)

Further, with the following three exceptions, no company or society formed or incorporated since the Co-operation Act came into force may use the word "co-operative" in its name unless it is registered under that Act.

The three exceptions are a society registered under—

- (a) The *Building Societies Act 1958*.
- (b) The *Friendly Societies Act 1958*.
- (c) The *Co-operative Housing Societies Act 1958*.

A company or society formed, incorporated or registered before the 2nd August, 1954, under any Act relating to companies or societies was not required to transfer its registration to the Co-operation Act. (S.28.)

NOTE.—Sections of the Act are indicated throughout by the letter S. Section 32 (S.32), Section 69, sub-section (10) (S.69 (10)).

Any such company or society may apply, however, for registration under the Co-operation Act, in place of its present registration, and may be so registered provided that, in accordance with its articles of association or its rules, it first passes a special resolution approving its registration under the Co-operation Act and that it makes such alterations to its existing memorandum and articles of association or rules as the Registrar of Co-operative Societies considers necessary to bring the company or society substantially into conformity with the provisions of the Act. (S.29.)

KINDS OF SOCIETIES.

The Co-operation Act provides for the formation and registration of societies of various kinds (S.4), and it is necessary to decide exactly what the society proposes to do before determining its kind. The following are briefly the objects and powers of the various kinds:—

(a) Producers Society.

A Producers Society is intended in the main as an organization of producers, but it is also given authority to act in many respects as a trading society. (S.5.)

Its special functions may include marketing rural products before or after treatment, selling any agricultural products or livestock of its members or other persons, buying and selling any goods or commodities, including farm and household requisites, or acting in a general way (so far as its objects allow) as agent for its members or other persons. It may purchase or hire machinery or breeding stock, provide cold-storage facilities and conduct farming operations. It may also manufacture, treat or conserve fodders, fertilizers and other farming requisites. It may erect or maintain buildings and factories for any of its objects, engage employees or arrange insurance for members or other persons, and, in addition, may do all such things calculated to promote the economic interest of its members as the regulations may provide.

If specified in or authorized by its rules, a producers society may raise money on loan for any objects of the society, receive money on deposit, acquire shares in any

other society* and make advances to its members or other persons against products delivered or to be delivered to the society. (S.6.)

(b) Trading Society.

A Trading Society may be registered to carry on any business, trade, manufacture or industry, whether wholesale or retail, specified in its rules, including the buying and selling of land, the working of mines and quarries, timber getting and fishing (S.7 (2)), and do all such things calculated to promote the economic interest of its members as may be prescribed by regulation. It may buy and sell agricultural products and livestock, but is precluded from disposing of agricultural products as agent for its members or other persons as provided for a producers society. (S.7.)

The powers of a trading society in raising loans, receiving money on deposit and acquiring shares in another society are the same as for a producers society. It may also make advances to members and any other persons against goods or commodities agreed to be sold to the society. (S.8.)

(c) Community Settlement Society.

A Community Settlement Society may be formed for the objects of settling and retaining people on the land and providing any community service or benefit. It may acquire land and prepare it for settlement by providing roads, buildings, waterworks, &c., and may sell or let land to its members or other persons and enter into share-farming or other agreements with its members. It may also make or arrange loans to members for any purposes that may tend to increase agricultural production, arrange insurance on behalf of its members, provide and carry on any community service and do all such things calculated to promote the economic interest of its members as may be prescribed by regulation. (S.9.)

As with the other societies already mentioned, a Community Settlement Society may raise money on loan, receive money on deposit and acquire shares in any other society. (S.10.)

* This reference and similar ones apply to a society registered under the Co-operation Act.

(d) Community Advancement Society.

The object of a Community Advancement Society is to provide any community service or benefit. For this purpose, it may in particular establish and operate public utilities, factories, silos, cold-stores, abattoirs, sale-yards, drafting-yards, garages, machinery-repair shops, &c., undertake farming operations, purchase agricultural requisites for its members, purchase land, with or without dwellings or buildings thereon, and let or sell the same to members, erect dwellings and buildings for members, provide buildings and grounds for education, recreation or other community services and promote clubs for those purposes, conduct charitable undertakings and do all such things calculated to improve the conditions of community life as the regulations allow. (S.11.)

Where a Community Advancement Society is selling or letting dwelling-houses to its members, the society may also provide in its objects for the making or guaranteeing of loans to assist members to purchase furniture, to purchase materials for the erection of homes, to defray the cost of painting or effecting additions or repairs to their homes and to pay the expenses of removing household furniture and other effects. (S.13.)

In carrying out its objects, a Community Advancement Society may, if specified in or authorized by its rules, raise money on loan and acquire shares in any other society, but is not permitted to receive money on deposit. (S.12.)

This kind of society provides a simple and inexpensive method of procuring corporate existence by such bodies as athletic or social clubs, charitable, scientific or literary institutes, and the like.

(e) Credit Society.

A Credit Society may make, arrange or guarantee loans to assist members to purchase furniture for a home or materials for the erection of a home, to pay the expenses of removing household furniture and effects, to acquire tools, implements, machinery, materials or stock-in-trade for any business, trade or industry, to commence, acquire or carry on any business, trade or industry, to discharge any financial liabilities or for any other purposes prescribed

by regulation. It is also empowered to supervise the expenditure of any loans so made, arranged or guaranteed. (S.14.)

Members who borrow from a Credit Society are generally required to reside in a particular district or to be of a class, e.g., members of a particular organization specified in the society's rules. (S.16.)

If its rules allow, a Credit Society also may raise money on loan, receive money on deposit and acquire shares in any other society. (S.15.)

Copies of a memorandum dealing solely with Credit Societies may be obtained on application to the Registry of Co-operative Societies, 191 Queen-street, Melbourne.

(f) Investment Society.

An Investment Society provides a means whereby individuals with small amounts of money may combine in order to secure jointly investments which would otherwise be impracticable. The sphere of investment is restricted in order to minimize the risk of loss, but an investment society may acquire shares in any society registered under the Act and it may also acquire any marketable securities specified in its rules but not those of any corporation with unlimited liability.

Such a society may also invest in any securities authorized by law for the investment of trust funds and it may do all such things for the mutual benefit and advantage of its members as the regulations allow. (S.19.)

Shares or securities acquired may be transferred to trustees appointed by the society. (S.20.)

Subject to the restrictions contained in section 285 of the Companies Act, an investment society may raise money on loan but it is not empowered to receive money on deposit.

The provisions of Division 2 of Part VIII of the Companies Act apply to these societies and should be carefully studied. (S.21.)

(g) Association of Co-operative Societies.

Two or more societies of the same kind may form an Association. A producers society which is capable of carrying on a trading business may become a member of an Association of Trading Societies. (S.22.)

An Association may be formed to supervise the affairs of and render services to its component societies. (S.23.) It may acquire shares in any other association, including one registered in another State, and in any Union of Co-operative Associations and in any society or company which is incorporated in Victoria and which has undertaken to render special services to the association. (S.25.)

It may join with any of these concerns in any operations authorized by its rules. (S.25.)

An Association may do anything as incidental to its objects that a component society (not being a producers society which has joined an association of trading societies) may do and, in the case of an association of producers societies, trading societies or credit societies, an Association may, unless otherwise provided by its rules, raise money on loan for any of its objects, receive money on deposit and make advances to its component societies. (S.23.)

(h) Union of Associations.

Any two or more Associations of Co-operative Societies may form a Union of Co-operative Associations. A society may be a member of a Union if the Registrar certifies that there is no Association to which it may conveniently belong. A Union may supervise the affairs of and render services to its component Associations (or societies) and promote co-operation generally. It may do anything as incidental to its objects that a component Association or component society may do.

Unless otherwise provided in its rules, a Union may raise money on loan for any of its objects, receive money on deposit and make advances to its component associations and societies. (S.27.)

FORMATION AND REGISTRATION.

Preliminary.

Section 31 of the Act provides that a society may be formed by any seven or more adult persons qualified to be members.

It is advisable for the sponsors to have preliminary discussions with prospective members so that they may be conversant with the exact nature of the proposal before the formation meeting is held.

Name.

The name of the society must include the word "Co-operative" and have the word "Limited" at the end. (S.57.) The name must not be identical with that of an existing society or that of any existing company or society registered under another Act or so nearly resembling such a name as to be calculated to deceive. This applies also to changes of name. (S.33.)

Rules.

As rules are required to be adopted at the meeting of formation, it is necessary to have them prepared beforehand. Model Rules have been prescribed for each kind of society, and may be adopted either wholly or with modifications by any society.

Specimen copies of Model Rules are available at the Registry of Co-operative Societies, and supplies of same may be purchased at the Government Printing Office, Macarthur-street, Melbourne.

Where application is made for copies of Model Rules, the kind of society should be specified.

If it is found that the Model Rules are for the most part acceptable to the proposed society, it is not necessary to reprint and register the Model Rules which are adopted. All that need be printed and registered will be a few additional rules adapting the Model Rules to the society's requirements. Specimens of these additional rules are also obtainable at the Registry.

If it is considered that many of the Model Rules are unsuitable for the society, it is advisable for the society to adopt a self-contained code of its own. In that case, it is as well to expressly exclude the Model Rules to avoid confusion. Certain matters are, by section 67 of the Act, required to be set out in the rules.

To avoid the inconvenience of rules being adopted which are not acceptable for registration, it is advisable to submit a draft of the proposed rules for perusal by the Registrar before placing them before the meeting. The Registrar is allowed to register only rules which are not contrary to the Act and the regulations and are such as may reasonably be approved by him.

Meeting.

A written statement in the nature of a "prospectus" is required to be submitted to the meeting of formation and should be prepared beforehand. It must set out—

- (a) the objects of the society;
- (b) the factors which will ensure that it will be co-operative in character and operations; and
- (c) the reasons for believing that, when registered, it will be able to carry out its objects successfully.

The meeting for the formation must be attended by seven or more persons qualified to be members. Consideration is required to be given to the statement and rules as above and, if the rules—with or without amendment—are approved at that meeting or at any adjournment thereof by seven or more adult persons present and qualified to be members, the meeting should proceed forthwith to elect the first directors of the society.

If, for any reason, such as disagreement as to rules submitted, the meeting is unable to finalize the formation of the society, it is advisable to have the meeting adjourned to a specified date. If the meeting makes substantial alterations to the rules and there is any doubt as to whether the alterations are registerable, it would be as well to adjourn the meeting and consult the Registrar.

Application for Registration.

Section 31 of the Act provides that an application for registration of a society must be made to the Registrar **WITHIN TWO MONTHS** after the meeting of formation has adopted rules and has appointed its directors.

Certain papers, including four forms, are required for this purpose; the forms may be obtained on application to the Registry.

The papers are—

- (a) **Form 1A**.—Application for registration signed by all the directors of the society.

This form must be accompanied by—

- (b) **Form 2**—being a statutory declaration by the chairman and secretary of the formation meeting as to compliance with section 31 of the Act, which relates to formation of societies.
- (c) A copy of the statement presented at the meeting.
- (d) Two copies of the proposed rules signed by not less than seven applicants for membership, each of whose signatures must be attested by a witness and each of whom must be over the age of 21 years.

NOTE.—If there are any alterations or inter-lineations in the rules, each should be initialled by the witness to the signatures.

- (e) **Form 3**—a list containing the full name, occupation and address of each director.
- (f) **Form 4A**—particulars regarding each applicant for membership.

Registration.

If the above formalities have been properly complied with and the application for registration is in order, no delay will take place in the registration of the society.

The Registrar may, however, require further information to show that the society is such as may be registered under the Act. On the recommendation of the Advisory Council constituted under the Act, the Registrar may refuse registration on the ground that the functions and services which the society is designed to discharge are not

reasonably necessary or that an existing society or other organization is capable of carrying out all that the proposed society has in mind. This is to prevent the registration of redundant societies. (S.31 (8).)

Upon registration of a society, a certificate of the incorporation is issued and forwarded to the person named in the application, together with a copy of the rules as registered and certified by the Registrar. Section 35 gives the effect of the issue of the certificate of incorporation.

Existing Companies and Societies.

A company or society registered under any other Act, and which wishes to register under the Co-operation Act, must first pass a special resolution approving of such registration and have the special resolution filed with or registered by the Registrar with whom the company or society is registered. (S.29 (1).)

The company or society must also make such alteration to its existing memorandum and articles of association or its rules (including the adoption of other rules in their stead) as the Registrar of Co-operative Societies deems necessary to bring the company or society substantially into conformity with the provisions of the Co-operation Act applicable to societies of the appropriate kind.

Any such alterations may be made in accordance with the provisions of the Co-operation Act as if the company or society were already a society under the Co-operation Act.

After the foregoing requirements have been fulfilled, application is made on Form No. 1a and must be accompanied by the following:—

- (a) Certificate of the incorporation or registration of the company or society;
- (b) Two copies of the memorandum and articles of association or rules of the company or society as in force at the date of the application;
- (c) Form No. 3, setting out the name, address and occupation of each director;
- (d) Form No. 4a, setting out the name, address and occupation of each shareholder and the number of shares held by him;

- (e) Copy of the special resolution passed by the company or society approving its registration under the Co-operation Act. The copy must be certified to by the Registrar under the Act under which the company or society is registered;

NOTE.—The forms mentioned may be obtained on application to the Registry of Co-operative Societies.

Assistance of Registry after Registration.

As soon as practicable after the registration of a society, it is advisable for the officer upon whom the clerical work of the society devolves to call at the Registry or, if that is not practicable, to communicate with the Registrar by letter. The services of officers of the Registry are available to give advice and assistance as to the suitable books of account and other books of record to be kept by the society and as to the other formalities to be complied with.

No Fees or Stamp Duty.

No fee is chargeable on any application for registration, nor is any stamp duty payable with respect to certain matters including any cheques or receipts issued by a society, share transfers or the conveyance or transfer of real property acquired by a Community Settlement Society for the objects of the society. (Ss. 49, 50.)

OPERATIONS OF SOCIETIES.

Liability.

Every society must be formed with limited liability. (S.30 (1).) A member is liable to the society for the amount, if any, unpaid on his shares. (S.40.)

Membership.

Unless otherwise provided by the rules of the society, the following are qualified to be a member of a society:—

- (1) Any person who is not under the age of eighteen years.
- (2) Any other society (meaning a society under the Act) which has power to acquire shares in the society.

- (3) A society registered under the *Friendly Societies Act 1958*.
- (4) A society registered under the *Industrial and Provident Societies Act 1928* or any corresponding previous enactment or a company formed or incorporated under the *Companies Act 1938* or any corresponding previous enactment which society or company is certified by the Registrar of Co-operative Societies to be of a substantially co-operative character. (S. 30 (2) as amended by Act No. 6749.)

NOTE.—A society registered under any corresponding *later* enactment of either the *Industrial and Provident Societies Act* or the *Companies Act* is not eligible for membership.

- (5) With the approval of the Registrar of Co-operative Housing Societies, a society registered under the *Co-operative Housing Societies Act, 1958*.

Unless otherwise provided in the rules, a person between the age of eighteen and twenty-one years may be a member of a society and may execute all instruments and give all necessary acquittances, as if he were of full age, but he is precluded from voting or holding any office in the society and cannot be one of the persons by whom the society is formed.

If authorized by its rules, a society may make a contract with members governing their dealings with the society with provision for liquidated damages for breaches thereof. A contract made in accordance with the Act is binding, notwithstanding that otherwise it might be bad as being in restraint of trade. (S.62.)

Shares.

The share capital of a society varies according to the nominal value of shares subscribed from time to time. (S.37 (1).)

The capital is divided into shares of a fixed amount specified in the rules and the shares are all of the one class, ranking equally. A share cannot be allotted unless at

least one-tenth of the nominal value thereof has been paid. Any balance unpaid at the time of allotment is paid in periodic subscriptions or in such other manner as is specified in the rules.

The rules may fix a minimum and a maximum shareholding per member but no member may hold more than one-fifth of the shares in a society. A share may be held by two or more persons jointly. A share may not be transferred without the consent of the Board. (S.37.)

A society may, if authorized by its rules, purchase out of its reserve fund any share of a member in the society, but the amount so purchased in any one year must not exceed one-twentieth of the paid-up capital of the society. (S.41.)

Provided the money is not required for the purposes of the society, a member may be repaid, with his consent, the whole or any part of the amount paid up on any shares held by him. (S.43.)

Registered Office.

The registered office of the society is stated in the rules and, after registration of the society, Form 7, Application to Register Office of Society, is forwarded to the society in duplicate for execution and return to the Registry. Any change of registered office must also be notified. (S.57.) Forms for this purpose may be obtained from the Registry.

Display of Society's Name.

The name of the society with a statement that the society is registered under the Act is required to be painted or affixed on the outside of its office in a conspicuous place and in letters which are clearly legible. (S.57 (3).)

The name of the society must be inscribed in legible characters on its seal and on all notices, advertisements and other official publications of the society and on all bills of exchange, cheques, promissory notes, endorsements, orders for money or goods, waybills, invoices, receipts and other documents required in the business of the society. (S.57 (2).)

Control of Society.

The control and management of a co-operative society is vested in the board of directors subject to the restrictions imposed by the Act, the Regulations and the society's rules.

(S.69 (1) (2).) The Act requires certain matters (e.g., change of rules) to be authorized by a special resolution. The model rules limit certain of the board's powers, e.g., with respect to expulsion of members, appointment of auditors and fixing their remuneration, determination of rates of dividend on share capital (subject to the limit imposed by the Act) and bonuses or rebates on purchases, &c.

Apart from the specific limitations on the board's powers, a majority of a general meeting cannot interfere in the board's administration or direct how the directors shall act in a certain matter. The erroneous idea that a meeting of members has such a power can cause much trouble. The members' remedy is to record their views of the board's control at the next election of directors. It will be appreciated that, if a general meeting could reverse a decision of the board, the board's dealings would be placed on an impossible footing.

The number of directors of a society must not be less than three nor more than seven. (S.69 (7).) A director must be an adult member of the society. The quorum for meetings of directors must be not less than half their number. (S.69 (10).)

Duties of Directors.

A corollary to the vesting of the control and management of the society in the directors is the principle that they must accept responsibility for the conduct of the society's operations, and for the proper compliance by the society with requirements of the law. The enumeration of the duties of the various officers in a society's rules does not relieve the board of the responsibility of seeing that those duties are properly discharged. In addition to matters mentioned before, responsibility rests with the board for compliance by the society with, *inter alia*, the following requirements of the Act:—

- (1) A society is required by S.60 to have at its registered office and to have open at all reasonable times to inspection by any member or creditor without fee—

- (a) a copy of the Act and the regulations;
- (b) a copy of the rules of the society;

- (c) a copy of the last balance-sheet and profit-and-loss account for the time being, together with the report of the auditor;
- (d) the prescribed register of directors, members, and shares; and
- (e) the prescribed register of loans raised, securities given and deposits received by the society.

- (2) A society is required by S.61 to transmit to the Registrar within three months after the close of its financial year (or within such further time as the Registrar may authorize) the following returns:—

- (a) a list of the directors for the year then current;
- (b) a statement of the assets and liabilities of the society at the close of the financial year and of the accounts of the society for the year;
- (c) a copy of any report by the auditor on such accounts;
- (d) such other particulars as may be prescribed by regulation.

- (3) A society is required, when requested by the Registrar to do so, to furnish such particulars of its membership as the Registrar requests. (S.61 (3).)

- (4) A society is required by S.61 (1) within fourteen days after any change in the membership of the board to lodge with the Registrar information of the change.

- (5) A society is required by S.57 (4) within fourteen days after the change of its registered office to lodge with the Registrar notice of the change.

(6) A society is required by S.59 to keep such registers and accounts as may be prescribed by regulation and in particular—

- (a) a register of the directors, members and shares;
- (b) a register of any loans raised, securities given and deposits received by the society;
- (c) a register of any loans made or guaranteed by the society, and of any securities taken by the society.

(7) A society is required—

- (a) to furnish to any person intending to become a member a list of charges payable by a member to the society (S.63);
- (b) to register all alterations of rules and special resolutions in prescribed form. These do not take effect until registered (Ss. 68, 65). Change in name involves a special procedure (S.33);
- (c) to have available for sale a copy of the society's rules at a charge not exceeding Two shillings and sixpence (S.67 (4));
- (d) to make available for examination by a member his account in the society's books at a fee not exceeding Two shillings (S.75 (6));
- (e) to close the society's financial year on the date fixed in the rules (S.76);
- (f) to hold the annual meeting of the society within three months after the close of its financial year or within such further time as may be allowed by the Registrar or prescribed by regulation (S.70);
- (g) to have the accounts of the society audited at the end of its financial year and when else required by the rules (S.75 (1));

- (h) to furnish a copy of the balance-sheet and profit-and-loss account duly audited to each member with the notice of the annual meeting or, if the rules so provide, a statement may appear in the notice that such accounts, &c., may be inspected at the registered office (S.75 (5));
- (i) to keep and have confirmed minutes of all meetings of the society and of the board as prescribed by regulation;
- (j) to see that the society's funds are applied in accordance with the Act;
- (k) to invest the society's funds as allowed by the Act (S.54);
- (l) to require security from officers having receipt or charge of money (S.73 (3)); and
- (m) in general to ensure compliance with the law and the society's rules.

On the principle that the interest and duty of a director should not be allowed to conflict, a director is not allowed to have contractual dealings with his society other than in the ordinary course of the society's business and in his capacity as a member. (S.69 (14).)

A director may not vote on a matter in which he has personal pecuniary interest other than as a member. (S.69 (15).) He may not borrow from the society unless authorized to do so by special resolution. (S.73 (1).)

Distribution of Surplus.

At least 5 per cent. of the surplus arising in any year from the business of a society must be carried to a reserve fund until that fund is at least one-fourth of the aggregate amount of—

- (a) the capital for the time being paid up; and
- (b) the moneys raised on loan or received on deposit and for the time being remaining unpaid.

The reserve fund cannot be distributed amongst the members of the society, except in the event of a winding up.

The reserve fund may be used for any of the purposes to which the capital of the society may be applied. (S.38.)

Except in the case of an investment society, the maximum amount which may be paid to a member by way of dividend in respect of any share held by him shall not exceed 6 per centum per annum (or such other percentage as may be fixed by regulation) on the amount paid on the shares. (S.38.)

Investments.

A society may invest any of its funds in—

- (a) any securities authorized by law for the investment of trust funds;
- (b) the State Savings Bank of Victoria, the Commonwealth Savings Bank, any bank prescribed by regulation or in any society which is authorized to receive deposits;
- (c) any prescribed securities. (S.54.)

Fines.

A society may impose a fine on a member for any infringement of its rules but, if it is proposed to impose a fine exceeding £1, the member must first be furnished with the reason therefor and be given an opportunity of appearing before the Board, or replying in writing, in relation thereto. (S.64.)

Financial Year.

The financial year of a society ends on such date as is fixed by the rules of the society. (S.76.)

Annual Returns.

The prescribed forms for the furnishing of annual returns to the Registrar will be sent to all societies.

Annual Meeting.

The annual general meeting of a society must be held within three months of the close of its financial year or within such further time as may be allowed by the Registrar or prescribed by regulation.

Audit of Accounts.

A society's auditor or auditors must be approved by the Registrar before he or they can act for the society and he or they must be a person or persons registered by the Companies Auditors Board. The Registrar may permit an unregistered person to conduct an audit if the circumstances warrant. (S.75 (2).)

Only individuals can be appointed to the position. A firm (e.g., John Brown and Co.) cannot be appointed. A person or persons within the firm would need to be selected.

Voting.

The principle is "one man one vote," irrespective of the number of shares held. No variation whatsoever is permissible. (S.71 (3).) Voting by proxy is not allowed. (S.71 (6).) A minor is not permitted to vote. (S.30 (3).)

Alteration of Rules—Change of Name.

Rules may be altered only by special resolution. A special resolution requires only one meeting at which the resolution must be carried by a majority of not less than three-fourths. (Ss. 68, 65.) A special procedure is prescribed for change of name—which, of course, also involves an alteration of rules. (S.33.) See also Co-operative Societies (General) Regulations regarding these matters.

Amalgamation.

Provision exists for the amalgamation of two or more societies with or without winding up, and to enable one society to transfer its engagements to another. Details of the procedure are available from the Registry if and when required. (Ss. 34, 55.)

Disputes.

Disputes between members and their society are determined in accordance with the society's rules. (S.77.) It should be noted that the Co-operative Societies (General) Regulations permit the Registrar to act as arbitrator.

GENERAL.

Registrar.

The Registrar has wide functions under the Act designed to assist societies and to protect the interests of members and other persons. Apart from functions incidental to

matters referred to above, they include inspection of societies (S.87) and the holding of inquiries and investigations into societies' affairs (S.89), with power to order production of books and documents and to examine on oath (S.90). He also has power to call special meetings of members in certain circumstances (S.88).

Where the Treasurer guarantees the repayment of a loan made to a co-operative society, the society is required to enter into an agreement with the Treasurer regarding the conduct of its affairs. The agreement gives the Registrar wider powers of oversight in respect of the society's operations.

Copies of all forms to be furnished to the Registrar are available at the Registry.

Official memoranda as to voluntary winding up and as to adoption and registration of altered rules and special resolutions, respectively, are also available at the Registry.

The Registrar is required to make an annual report to Parliament containing information and statistics as to the operation of societies. (S.92.) Every society will be furnished with a copy of each report.

The Registrar may require evidence that a society is bona fide carrying on its business in accordance with the Act. (S.86 (2).)

The registered rules of a society and any other registered document are available for inspection at the Registry and a certified copy of same may be obtained on payment of the prescribed fees. (S.91.)

Advisory Council.

An Advisory Council, consisting of the Registrar, an officer of the Treasury and other persons, is provided for to assist generally in the encouragement of co-operative enterprise and to submit recommendations to the Treasurer with respect to Regulations and Model Rules to be made under the Act, proposals to improve the operations of societies and proposals relating to the financing of societies, particularly the guaranteeing of loans raised by societies. (S.93.)

Government Guarantee.

The Treasurer of Victoria may guarantee the repayment of any loan made to a co-operative society. (S.94.)

Winding Up of Society.

A society may be wound up in substantially the same circumstances and by the same procedure as a company under the *Companies Act 1958*. (S.78.)

Offences and Penalties.

Any contravention of, or failure to comply with, the requirements of the Act renders a society and the directors and officers responsible liable to a penalty.

The provisions of Division 2 of Part VII. of the Act, which create offences, and provide the penalties for those offences, should be carefully studied.

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Any further information required as to the procedure to form and register a society under the *Co-operation Act 1958*, and as to the nature, functions, privileges and duties of such a society may be obtained on application to the Registry of Co-operative Societies, 436 Lonsdale St Melbourne.

J.W.JUNGWIRTH.

Registrar of Co-operative Societies.

Chairman, Co-operative Societies Advisory Council